



LOS ANGELES COUNTY DISTRICT ATTORNEY'S OFFICE

STEVE COOLEY • District Attorney

CURT LIVESAY • Chief Deputy District Attorney

November 15, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZE THE DISTRICT ATTORNEY TO ACCEPT 13th YEAR GRANT FUNDS
FROM THE STATE OF CALIFORNIA, DEPARTMENT OF INSURANCE
(SCDI) FOR THE AUTOMOBILE INSURANCE FRAUD (AIF) PROGRAM
FOR FISCAL YEAR (FY) 2005-06 (ALL DISTRICTS) (4-VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the enclosed Resolution authorizing the District Attorney to accept grant funds for the AIF Program from SCDI in the amount of \$3,999,602 for the period of July 1, 2005 through June 30, 2006.
2. Authorize the District Attorney to execute the Grant Award Agreement on behalf of the County of Los Angeles.
3. Authorize the District Attorney or his designee, on behalf of the County of Los Angeles, to serve as project director and to sign and approve any revisions to the Grant Award Agreement that do not increase the net County cost of the Agreement.
4. Approve the attached Budget Adjustment in the amount of \$1,618,789 for FY 2005-06, to allocate spending authority necessary to operate the program.
5. Authorize the District Attorney's Office, pursuant to County Code Section 6.06.020, to hire the following grant funded/permanent positions: one Deputy District Attorney IV, one Investigative Auditor, one Paralegal, two Senior Investigators, one Legal Office Support Assistant II, and one Supervising Investigator, pending allocation by the Department of Human Resources.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On July 15, 2005, the District Attorney submitted an application to SCDI to continue funding for the AIF Program in FY 2005-06. A Grant Award Letter was received on September 16, 2005 in the amount of \$3,999,602. The SCDI has awarded funding for the AIF Program for the past twelve years. The grant will allow the District Attorney to continue enhanced prosecutorial efforts and criminal investigations of automobile insurance fraud activity in Los Angeles County.

As part of the Grant Award Agreement, SCDI requires the adoption of the enclosed resolution, which has been approved as to form by County Counsel.

Implementation of Strategic Plan Goals

Acceptance of the grant funds supports the County's Strategic Plan Goal No. 4, Fiscal Responsibility, by securing an available revenue source at the State level. This program directly supports the District Attorney's core mission of vigorously prosecuting felony crime, such as automobile insurance fraud, throughout the County.

FISCAL IMPACT/FINANCING

The amount of \$3,999,602 has been awarded to the District Attorney's Office for the AIF Program from SCDI. In addition, authorized 2004-05 carryover funds in amount of \$1,834,187 will be used to fully offset program cost estimated at \$5,833,789 for the 2005-06 fiscal year.

The department's 2005-06 budget includes \$4,215,000 for the AIF Program. The difference from the estimated cost is \$1,618,789 which will fund the seven (7) additional positions requested. AIF Program staff includes a total of 33.5 positions.

If funding for this program were terminated, an evaluation would be conducted to determine whether the program would either be continued with costs absorbed by the department, or discontinued with the reallocation of staff to vacant budgeted positions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to the provisions of Section 1872.8 of the California Insurance Code, the State Department of Insurance is authorized to award and distribute certain funds to district attorneys submitting plans approved by the Bureau of Fraudulent Claims for the increased investigation and prosecution of fraudulent automobile insurance claims.

The objective of the Los Angeles County District Attorney's Automobile Insurance Fraud Program is to enhance its efforts in the identification, investigation, and prosecution of major auto insurance fraud rings, syndicates, gangs, and organizations in the Los Angeles County.

In FY 2004-05, there were 46 investigations initiated, involving 104 suspects. This is a slight decrease from 49 in FY 2003-04. There was an 11% increase in the number of defendants charged from 81 to 90, 103 arrests were made which is a 37% increase from 75, and the number of defendants convicted decreased from 91 to 75.

AIF Program goals for FY 2005-06 include the initiation of 20-40 new investigations and 50-90 new prosecutions.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Pursuant to your Board Motion of December 15, 1998, the Alternate Public Defender, Public Defender, Probation and Sheriff departments have been notified of this request.

The Probation and Sheriff Departments determined that this action would not impact their current operations. The Public Defender stated there would be a minimal impact on their workload, and the Alternate Public Defender stated any impact on their workload would be managed with existing resources.

The Honorable Board of Supervisors
November 15, 2005
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CONCLUSION

Acceptance of continuing grant funds is strongly recommended.

Following Board approval on this program, the Executive Officer-Clerk of the Board is requested to return a copy of the adopted Board letter and two (2) copies of the executed

Resolution, containing original signatures, to Emily Aidells, Contracts and Grants Unit, Los Angeles County District Attorney's Office, 201 North Figueroa Street, Suite 1300, Los Angeles, California 90012. Any questions may be directed to Ms. Aidells at (213) 202-7674.

Very truly yours,

/S/

STEVE COOLEY
District Attorney

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Enclosures

c: Chief Administrative Officer
County Counsel

**Los Angeles County Chief Administrative Office
Grant Management Statement for Grants Exceeding \$100,000**

Department: District Attorney

Grant Project Title and Description

Auto Insurance Fraud Program

The focus of this program is to enhance prosecutorial efforts and criminal investigations of automobile insurance fraud activity in Los Angeles County. These grant funds will allow the District Attorney's Office to continue its collaborative efforts with the State of California, Department of Insurance (SCDI) to investigate and prosecute unscrupulous doctors, chiropractors, and lawyers engaged in automobile insurance fraud.

Funding Agency

California Department of Insurance

Program (Fed. Grant # /State Bill or Code #)

California Insurance Code Section 1872.8

Grant Acceptance Deadline

Total Amount of Grant Funding: \$3,992,602

County Match: \$0

Grant Period: FY2005-2006 **Begin Date:** July 1, 2005

End Date: June 30, 2006

Number of Personnel Hired Under This Grant: 33.5

Full Time: 33 **Part Time:** 1

Obligations Imposed on the County When the Grant Expires

Will all personnel hired for this program be informed this is a grant-funded program? Yes No

Will all personnel hired for this program be placed on temporary ("N") items? Yes No

Is the County obligated to continue this program after the grant expires? Yes No

If the County is not obligated to continue this program after the grant expires, the Department will:

a). Absorb the program cost without reducing other services Yes No

b). Identify other revenue sources Yes No
(Describe) _____

c). Eliminate or reduce, as appropriate, positions/program costs funded by the grant. Yes No

Impact of additional personnel on existing space: None

Other requirements not mentioned above: None

Department Head Signature _____ **Date** _____

1 **NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of
2 the County of Los Angeles hereby authorizes and approves acceptance of grant funds
3 from the State of California, Department of Insurance, to be used exclusively for the
4 program designated the "Automobile Insurance Fraud Program" for the period
5 covering July 1, 2005 to June 30, 2006;

6 **BE IT FURTHER RESOLVED** that the County of Los Angeles
7 hereby authorizes the District Attorney, or his designee, to serve as Project
8 Director and to perform all further tasks necessary for the completion of the
9 project, including any extensions, execution and submission of amendments,
10 progress reports, and payment requests relating to the Grant Award Agreement;

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24 **I DO HEREBY CERTIFY** that at a regular meeting of the Board of
25 Supervisors of the County of Los Angeles, on the _____ day of
26 _____, 2005, the forgoing Resolution was adopted.

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IN WITNESS WHEREOF, I have hereunto set my hand and affixed
the seal of the Board of Supervisors of the County of Los Angeles this _____
day of _____, 2005.

VIOLET VARONA-LUKENS,
Executive Officer- Clerk of the
Board of Supervisors of the
County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM
BY COUNTY COUNSEL:

By _____
Deputy